



## Senate

General Assembly

**File No. 249**

January Session, 2015

Substitute Senate Bill No. 427

*Senate, March 26, 2015*

The Committee on Labor and Public Employees reported through SEN. GOMES of the 23rd Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

### **AN ACT CONCERNING WORKERS' COMPENSATION AWARDS AND ATTORNEY FEES.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 31-299a of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective July 1, 2015*):

3 (a) Where an employer contests the compensability of an employee's  
4 claim for compensation, proof of payment made under a group health,  
5 medical or hospitalization plan or policy shall not be a defense to a  
6 claim for compensation under this chapter.

7 (b) Where an employer contests the compensability of an  
8 employee's claim for compensation, and the employee has also filed a  
9 claim for benefits or services under the employer's group health,  
10 medical, disability or hospitalization plan or policy, the employer's  
11 health insurer may not delay or deny payment of benefits due to the  
12 employee under the terms of the plan or policy by claiming that

13 treatment for the employee's injury or disease is the responsibility of  
14 the employer's workers' compensation insurer. The health insurer may  
15 file a claim in its own right against the employer for the value of  
16 benefits paid by the insurer within two years from payment of the  
17 benefits. The health insurer shall not have a lien on the proceeds of any  
18 award or approval of any compromise made by the commissioner  
19 pursuant to the employee's compensation claim, in accordance with  
20 the provisions of section 38a-470, unless the health insurer actually  
21 paid benefits to or on behalf of the employee.

22 (c) Where an employer contests the compensability of an employee's  
23 claim for compensation, and the employee has also filed a claim for  
24 benefits or services under the employer's group health, medical,  
25 disability or hospitalization plan or policy, and the claim for  
26 compensation is ultimately resolved in favor of the claimant, twenty  
27 per cent of any amount recovered by the health insurer as a result of  
28 any claim that the health insurer may file in its own right against the  
29 employer for the value of benefits paid by the insurer pursuant to  
30 subsection (b) of this section shall be transferred to the claimant and no  
31 attorney's fees shall be payable from such transferred amount.

This act shall take effect as follows and shall amend the following sections:

Section 1	July 1, 2015	31-299a
-----------	--------------	---------

**LAB**      *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

---

### ***OFA Fiscal Note***

#### ***State Impact:***

<b>Agency Affected</b>	<b>Fund-Effect</b>	<b>FY 16 \$</b>	<b>FY 17 \$</b>
State Comptroller - Fringe Benefits (State Employee Health Account)	GF, TF - Cost	See Below	See Below

#### ***Municipal Impact:***

<b>Municipalities</b>	<b>Effect</b>	<b>FY 16 \$</b>	<b>FY 17 \$</b>
All Municipalities	STATE MANDATE - Cost	See Below	See Below

### ***Explanation***

The bill will result in a cost to the state employee health plan and municipalities to compensate an employee out of any proceeds the health plan may collect from the workers' compensation plan for medical expenses. The health plans do not currently compensate employees, they recover medical expenses paid on the employee's behalf which ultimately are the responsibility of the workers' compensation program. The cost will be equal to 20% of the medical expenses recovered by the state or municipal health plan.

### ***The Out Years***

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

**OLR Bill Analysis****sSB 427*****AN ACT CONCERNING WORKERS' COMPENSATION AWARDS AND ATTORNEY FEES.*****SUMMARY:**

When an employer contests an employee's workers' compensation claim and the treatment for the employee's injuries can be otherwise covered under the employer's health insurance plan, the law requires the health insurer to cover the treatment and file a reimbursement claim against the employer's workers' compensation insurance. This bill requires 20% of any amount the health insurer recovers to be paid to the employee, with no reduction for attorney's fees, if the employee subsequently wins his or her workers' compensation claim against the employer.

EFFECTIVE DATE: July 1, 2015

**COMMITTEE ACTION**

Labor and Public Employees Committee

Joint Favorable Substitute

Yea 9      Nay 4      (03/12/2015)